

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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MEMORANDUM

TO: Minuteman Regional Retirement Board

FROM: John W. Parsons, Esq., Executive Director

RE: Approval of Funding Schedule

DATE: April 16, 2020

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made on September 1 of each fiscal year. The schedule is effective in FY20 (since the amount under the prior schedule was maintained in FY20) and is acceptable under Chapter 32.

The revised schedule reflects a reduction in the investment return assumption from 7.4% to 7.25% and a revision to the mortality assumption.

If you have any questions, please contact PERAC's Actuary, John Boorack, at (617) 666-4446, extension 935.

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Alternative 1
7.25% Investment Return
10.0% Total Increasing to FY34

**Minuteman Regional Retirement System
January 1, 2019 Actuarial Valuation**

Total appropriation increases 10% to FY34 with a final amortization payment in FY35

<u>Fiscal</u> <u>Year</u>	<u>Normal</u> <u>Cost</u>	<u>Amort. of</u> <u>UAL</u>	<u>Total</u> <u>Cost</u>	<u>Unfunded</u> <u>Act. Liab.</u>	<u>% Increase</u> <u>Total Cost</u>
2020	202,075	67,925	270,000	2,318,381	
2021	211,168	85,832	297,000	2,414,454	10.0%
2022	220,671	106,029	326,700	2,498,508	10.0%
2023	230,601	128,769	359,370	2,567,244	10.0%
2024	240,978	154,329	395,307	2,616,856	10.0%
2025	251,822	183,016	434,838	2,642,968	10.0%
2026	263,154	215,168	478,321	2,640,561	10.0%
2027	274,996	251,158	526,154	2,603,894	10.0%
2028	287,370	291,399	578,769	2,526,414	10.0%
2029	300,302	336,344	636,646	2,400,656	10.0%
2030	313,816	386,495	700,310	2,218,133	10.0%
2031	327,937	442,404	770,342	1,969,210	10.0%
2032	342,695	504,681	847,376	1,642,968	10.0%
2033	358,116	573,997	932,113	1,227,052	10.0%
2034	374,231	651,093	1,025,325	707,496	10.0%
2035	391,071	69,340	460,412	68,541	-55.1%
2036	408,670		408,670	0	-11.2%

Appropriation payments assumed to be made on September 1 of each fiscal year.

Normal cost includes assumed expenses of \$70,000 and is assumed to increase 4.5% per year.

FY20 amount maintained at level of current funding schedule.